



Local Government Reimbursement Program Frequently Asked Questions

June, 2004

What costs are reimbursable under the LGR program?

All costs for which a local government is seeking reimbursement must be consistent with CERCLA, the National Oil and Hazardous Substances Pollution Contingency Plan (NCP), and Federal cost principles outlined by the Office of Management and Budget.

In general, EPA will consider reimbursement for costs of such items as disposable materials and supplies purchased during a specific response; rental or leasing of equipment used for a specific response; special technical services and laboratory costs; services and supplies purchased for a specific evacuation; and payment of unbudgeted wages for employees responding to the specific incident (for example, overtime pay for response personnel).

However, reimbursement must not supplant local government funds normally provided for emergency response.

All applications must include appropriate cost documentation such as invoices, sales receipts, leasing agreements, or time sheets.

In addition, it is essential that applications certify their attempts to recover costs from the potentially responsible party, the state, and local government insurance.

Who is eligible for reimbursement under the LGR program?

If you are the governing body of a county, parish, municipality, city, town, township, Federally-recognized Indian tribe or general purpose unit of local government, you are eligible for reimbursement.

Special purpose units of local government are not eligible under the LGR program.

Can more than one application for reimbursement be submitted to EPA for the same incident?

No.

Under the LGR regulation, reimbursement is limited to one request per incident, even when multiple government entities respond to the incident.

The local government with legal jurisdiction over the site of the incident must submit one application on behalf of all local governments that responded to the incident.

In the event that two applications are submitted for the same incident, EPA will accept only the application from the local government with legal jurisdiction.

In some cases two local governments with legal jurisdiction (e.g., a city and a county) may attempt to submit an application for reimbursement.

In these cases, EPA will either return both applications with an explanation or, if one has already been awarded, the second application will be denied.

This requirement ensures that EPA does not reimburse more than \$25,000 per response, and does not reimburse local governments more than once.

To avoid this situation, EPA strongly encourages local governments, or agencies within the same local government, to coordinate with each other when seeking reimbursement under the LGR program.

This will help local governments obtain the maximum amount of reimbursement funds, particularly in cases where the combined total of reimbursement requests is less than \$25,000.

Can I include more than one incident on a single application?

Yes, you can however, the applicant must submit all associated necessary information and cost documentation for each incident.

In addition, the incidents should be closely related by type (i.e., 10 anthrax calls in one day) and in around the same time period.

Also the cap for each application is \$25,000 even if you submit more than one incident in an application.

You are only eligible for a total reimbursement of \$25,000.

Our suggestion is that you submit a separate application for each incident to simplify the review process and maximize your eligible response costs.

Is there a cap on the amount of reimbursement?

The law limits the amount of reimbursement available to local governments to \$25,000 per incident.

Furthermore, the law limits the total amount of reimbursement funds that EPA can award in a given year.

In the event that the amount of funds available for reimbursement becomes limited (e.g., due to increased participation in the program), EPA would prioritize reimbursements according to the financial burden that an incident places on each local government, as specified in the LGR Federal Regulation (40 CFR Part 310).

Will I be notified if my application has been received?

Yes.

You should receive a confirmation postcard within one month of the receipt of your application.

If you have submitted an application and have not received a postcard in the allotted time, please call the LGR HelpLine at (800) 431-9209 to check the status.

How can I check the status of my application?

You can check the status of your application by calling the LGR HelpLine at (800) 431-9209 and identifying your local government, the incident type, and the date on which the response occurred.

What is the expected time frame for reimbursement?

Reimbursement may come within three to six months after EPA receives an application.

Some complete applications are processed even faster.

If an application is not complete, EPA will contact the applicant to receive the necessary information.

This process may add additional time to the application process.

To ensure your application is complete, please call to the HelpLine to expedite review and possible reimbursement.

How will reimbursement requests be evaluated?

After receiving completed applications from local governments, EPA will screen each application for compliance with the basic requirements.

Each application will be evaluated on its own merit.

EPA will ensure that the costs for which reimbursement is being sought are allowable and documented, do not supplant local funds normally provided for emergency response, and that all other possible sources of reimbursement have been exhausted.

During the review cycle, the applicant may be contacted to supply additional information or to clarify information in the application.

Based on EPA's evaluation of the application, a request may be reimbursed (in whole or in part), denied, or held over for reconsideration in instances where funding is limited or currently unavailable.

How does EPA prioritize reimbursement requests?

Once EPA reviews an application and determines that it is complete and complies with all of the regulatory requirements, EPA calculates the applicant's financial burden.

A local government's financial burden is determined by comparing the eligible response costs to the locality's aggregate income (i.e., the per capita income of the locality multiplied by the locality's population).

The purpose of this requirement is to provide financial relief to local governments that face significant financial burden as a result of responding to a hazardous substance incident.

In the event that the amount of funds available for reimbursement becomes limited, the financial burden formula gives priority to those local governments for which the response costs create the greatest financial burden.

Because the funding ceiling for the LGR program has never been reached in a given year, EPA has yet to use financial burden to prioritize reimbursements and has reimbursed all eligible applications to date.

If reimbursements for a given year exceed the total amount of funds available for that year, EPA will be required to use the financial burden calculation to prioritize reimbursements.

However, EPA may consider other financial information demonstrating a locality's financial hardship (e.g., the impact of responding to numerous hazardous substance emergencies in a short time period, the financial impact of a recent disaster, etc.).

In cases where an application is eligible for reimbursement but cannot be reimbursed due to limited funds, EPA will hold the application for up to one year and will reimburse the local government if funds become available.

Where do I send my completed application?

Please send you completed applications to:

US Environmental Protection Agency
LGR Program
Attn. Lisa Boynton
1200 Pennsylvania Ave., M.C. 5204-G
Washington, DC 20460